

## **REMARKS**

Applicants reply to the Office Action dated September 25, 2007, within the shortened three month statutory period for reply. Claims 1-20 were pending in the application and the Examiner rejects claims 1-20. Applicants cancel claims 4, 5, 12 and 16 without prejudice to filing other applications having one or more claims with similar subject matter. Support for the amendments may be found in the originally-filed specification, claims, and figures. No new matter has been introduced by these amendments. Applicants assert that the application is in condition for allowance and reconsideration of the pending claims is requested.

**Applicants respectfully request the Examiner to enter the Revocation of Power of Attorney, Appointment of New Attorney and Change of Correspondence Address which was received by the U.S. Patent and Trademark Office on December 8, 2005.**

### **Claim Rejections under 35 U.S.C. §102(e)**

The Examiner rejects claims 1-20 as being unpatentable under 35 U.S.C. § 102(e) over Horan, US 2003/0225663 A1 ("Horan"). Applicants respectfully traverse the rejection.

Horan generally discloses a portfolio management platform with multiple capabilities. The platform provides investment advisors, fund managers and investors with trading functionality and a set of portfolio management tools. The portfolio management tools included in the platform provide reconciliation, rebalancing and reallocation functions for various investment products. These tools are used in automating the execution of investment strategies that are based upon maintaining a pre-set mix of investment vehicles and risk exposures.

The Horan platform also includes an accounting and management system. This feature enables a variety of book keeping functions that are used to manage large investment portfolios. The accounting engine is capable of delivering multi-currency, multi-asset class, transaction processing and accounting. Furthermore, the platform enables calculating cost basis, including tracking multiple cost bases, using a variety of cost accounting methods including tax lot accounting which is a record keeping technique that traces the dates of purchase and sale, cost basis, and transaction size for each security in your portfolio, even if you make more than one trade in the same security.

Horan does not provide the ability to identify and categorize certain complex types of changes of ownership such as when a product is acquired through gift or inheritance or when

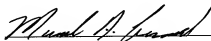
various types of corporate restructuring create changes to the underlying securities. **While Horan may disclose initial categorization and basic cost basis accounting functions, it does not further categorize the reallocations. Significantly, Horan does not allow for examining both the reallocation data that represents the result of an ownership change and a further categorization of the reallocation to enable automatic calculation of a more accurate cost basis change.** As such, Horan does not disclose or contemplate at least, "further categorizing the reallocation into one of a plurality of at least one of: additional categories and sub-categories to establish an enhanced categorization of the reallocation, wherein the reallocation was previously categorized into one of a plurality of categories," as similarly recited by amended independent claims 1 and 11.

Dependent claims 2-10 and 12-20 variously depend from independent claims 1 and 11, and are therefore differentiated from the cited reference for at least the same reasons as set forth above, as well as in view of their own respective features.

Applicants respectfully submit that the pending claims are in condition for allowance. No new matter is added in this Reply. Reconsideration of the application is thus requested. The Commissioner is hereby authorized to charge any fees, which may be required, or credit any overpayment, to **Deposit Account No. 192814**. Applicants invite the Examiner to telephone the undersigned, if the Examiner has any questions regarding this Reply or the present application in general.

Respectfully submitted,

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